

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

770 L STREET, SUITE 1000
SACRAMENTO, CA 95814
(916) 324-2726
(916) 324-5597 FAX
<http://www.cmac.ca.gov>

**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113
Sacramento, CA

Minutes of Meeting
August 14, 2008

COMMISSIONERS PRESENT

Cathie Bennett Warner, Chair
Wilma Chan
Vicki Marti
Nancy McFadden

COMMISSIONERS ABSENT

Michele Burton, M.P.H.
Marvin Kropke

EX-OFFICIO MEMBERS PRESENT

Cathy Halverson, Department of Health Care Services
Jan Lapanja, Department of Finance

EX-OFFICIO MEMBERS ABSENT**CMAC STAFF PRESENT**

J. Keith Berger, Executive Director
Tacia Carroll
Paul Cerles
Nathan Davis
Denise DeTrano
Holland Golec
Mark Klobberdanz
Katie Knudson
Becky Swol
Mike Tagupa
Mervin Tamai
Karen Thalhammer

I. Call to Order

The August 14, 2008 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Cathie Bennett Warner. A quorum was present.

II. Approval of Minutes

The July 10, 2008 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Keith Berger, Executive Director, began his report by informing the Commissioners that CMAC's Department of Finance (DOF) ex-officio representative, John Fitzpatrick, is not present today because he will be moving onward and upward at DOF, which is great for him, but means he will no longer be attending our meetings.

At this time, Mr. Berger took the opportunity to thank Mr. Fitzpatrick for his contributions during his time on the Commission. Mr. Berger noted that although CMAC has been only a small fraction of Mr. Fitzpatrick's overall assignment, he has taken the time to learn about the issues that CMAC faces as well as provide guidance and support in addressing those issues within the current state budget constraints.

Mr. Berger introduced Mr. Fitzpatrick's manager, Jan Laponja, and thanked her for representing DOF at today's meeting.

Regarding the Private Hospital Supplemental Fund, Mr. Berger announced that on July 29, 2008, CMAC electronically transmitted letters notifying eligible hospitals that Round 4A negotiations for distributions have commenced. Proposals from the facilities are due tomorrow, August 15, 2008. Mr. Berger indicated that many of them have already been received. The letter template, the schedule and the required forms are available on the CMAC website. (www.cmac.ca.gov)

Mr. Berger noted that the Department of Health Care Services (DHCS) has issued a tentative Disproportionate Share Hospital (DSH) list and CMAC can now take action as soon as staff finalizes negotiations with the hospitals. If the State Budget is approved, the schedule targets the first CMAC meeting in September to have recommended Round 4A supplemental amendments before the Commissioners for review and action.

Regarding the Distressed Hospital Fund (DHF), Mr. Berger said that DHCS has notified CMAC concerning the second component of the 2007-08 stabilization funding, that the full \$11.75 million (plus federal match) would be available per statute. He noted however, there is pending trailer bill language that would utilize \$9.15 million to repay the federal government for Intergovernmental Transfer (IGT) related recoveries, which would leave approximately \$2.6 million, or \$5.2 million if matched, available to the program.

Mr. Berger continued and said that DHCS has also confirmed that CMAC may begin moving forward with the first component of the current year's DHF process, since DHF dollars are not needed to backfill any baseline deficiencies of the prior year under the demonstration waiver. He stated that CMAC will move forward as quickly as possible with both components, however, negotiations cannot be finalized until the State Budget is approved.

Mr. Berger indicated that the Budget Conference Committee completed its work last month, using Assembly Bill 1781 as the vehicle. Their summary overview states that in order to balance the budget they did a combination of things, including program reductions, suspension of increases, elimination of tax loopholes and revenue proposals. The budget bill has not yet been acted on by either house, although there are some time deadlines that may help push the parties to reach resolution on some of the major issues in the next week or two.

Mr. Berger informed the Commissioners that since the previous CMAC meeting was cancelled, the seismic presentations by the Office of Statewide Health Planning and Development (OSHPD) and the California Hospital Association (CHA) have been rescheduled for the October 9, 2008 meeting.

Mr. Berger noted that there are 10 contracts and amendments before the Commissioners for review and action in closed session as well as several updates and discussions regarding hospital and managed care negotiations.

IV. Department of Health Care Services (DHCS) Report

Cathy Halverson, DHCS, informed CMAC that DHCS is currently preparing for the potential implementation of the trailer bill language reducing payments to non- Selective Provider Contracting Program (SPCP) hospitals while attempting to determine the appropriate regional average rates. Implementation is expected for October 1, 2008.

Ms. Halverson reported that under the 2005 Health Coverage Initiative, currently, 68,000 people have been enrolled, which is an increase from her last update. She noted that there were initially some startup issues as to be expected with any new program, but enrollment is picking up and is anticipated to increase to 75, 000 individuals in July.

V. New Business/Public Comments/Adjournment

There being no new business and no comments from the public, Chair Bennett Warner recessed the open session. Chair Bennett Warner opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair Bennett Warner announced that the Commission had taken action on hospital contracts and amendments in closed session. The open session was then adjourned.